

Transforming Healthcare: **Connected Communities and Regional Health Information Organizations**

Presented to:
The Georgia HITT Advisory Board
November 17, 2006

*NCHICA – “Improving Healthcare in North Carolina by
Accelerating the Adoption of Information Technology”*





Comparisons



North Carolina

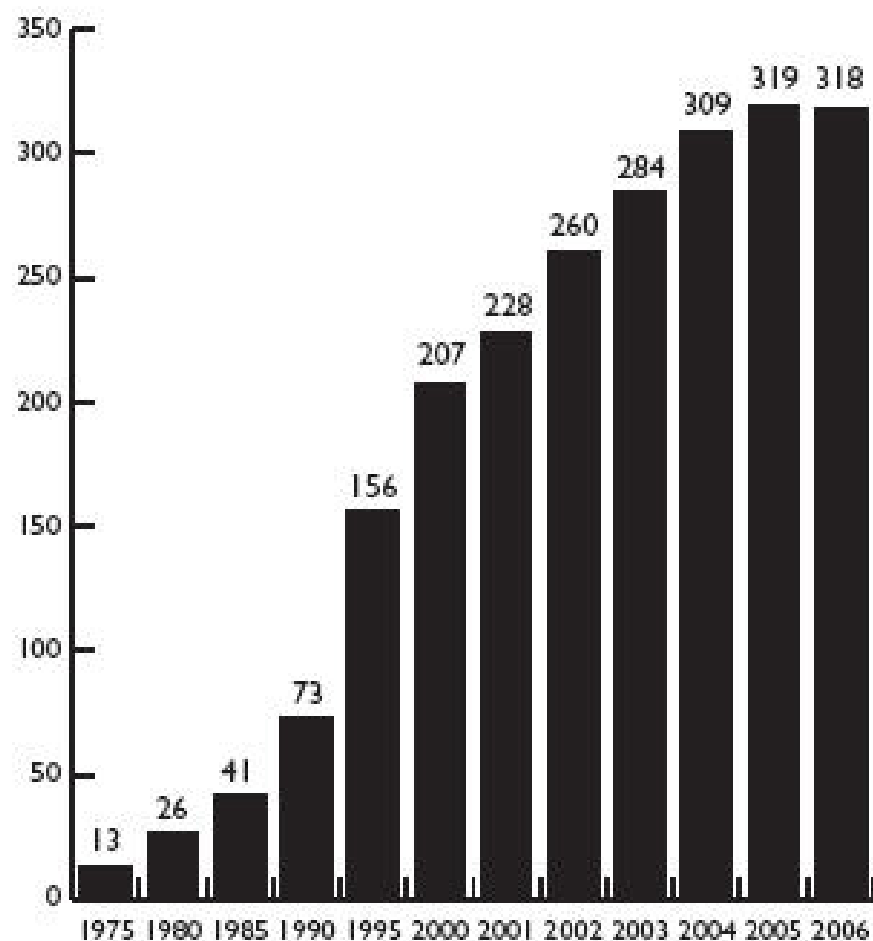
- Land Area
 - 48,711 sq mi
- Population (2005)
 - 8,411,041
 - 165.2 / sq mi
- Unemployment Rate (Aug 2006)
 - 4.8%
- Age Structure
 - <5 7.0%
 - <18 24.8%
 - 18-64 63.1%
 - 65+ 12.1%
- Life Expectancy (2000)
 - Male 72.7
 - Female 78.4
 - Total 75.8
- Total Medicaid
\$ 8,489

Georgia

- Land Area
 - 57,906 sq mi
- Population (2005)
 - 8,821,142
 - 141.4 / sq mi
- Unemployment Rate (Aug 2006)
 - 5.7%
- Age Structure
 - <5 7.7%
 - <18 26.4%
 - 18-64 64.0%
 - 65+ 9.6%
- Life Expectancy (2000)
 - Male 73.8
 - Female 78.7
 - Total 76.4
- Total Medicaid
\$ 6,470

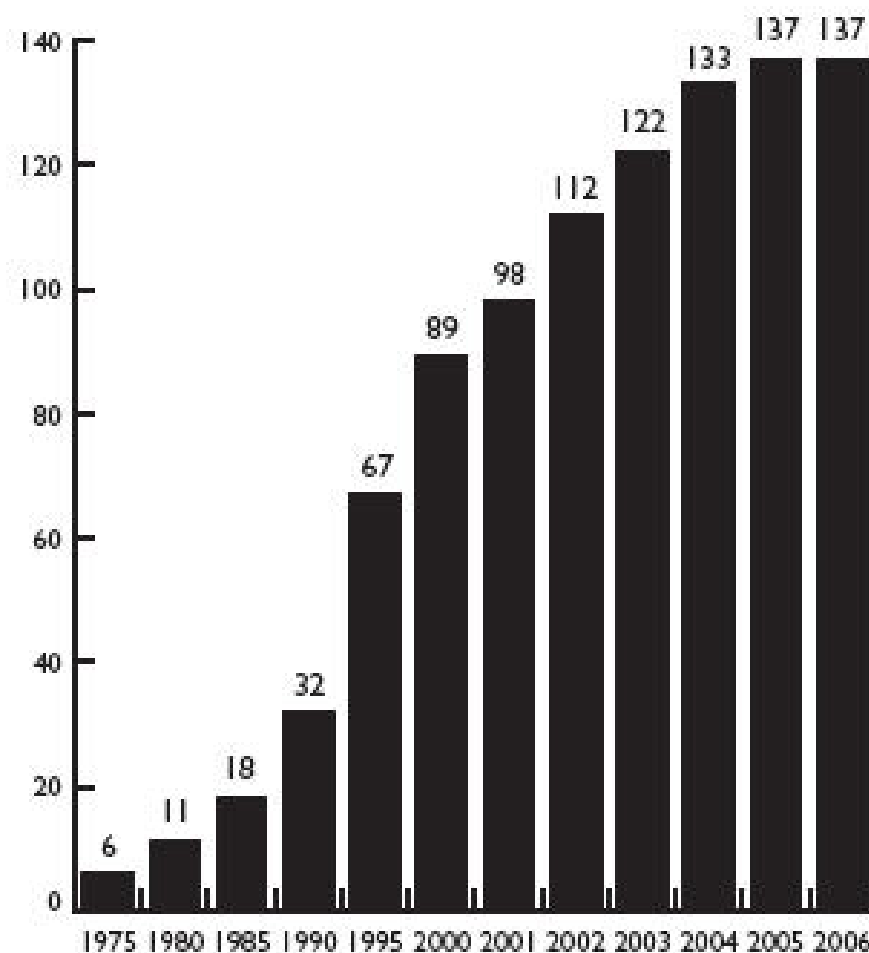
Medicaid Trends

Figure 14
ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING,
1975 TO 2006 (IN BILLIONS)



Source: Congressional Budget Office and Federal Funds Information for States

Figure 15
ACTUAL AND PROJECTED STATE MEDICAID SPENDING,
1975 TO 2006 (IN BILLIONS)



Source: Congressional Budget Office and Federal Funds Information for States

Medicaid Trends

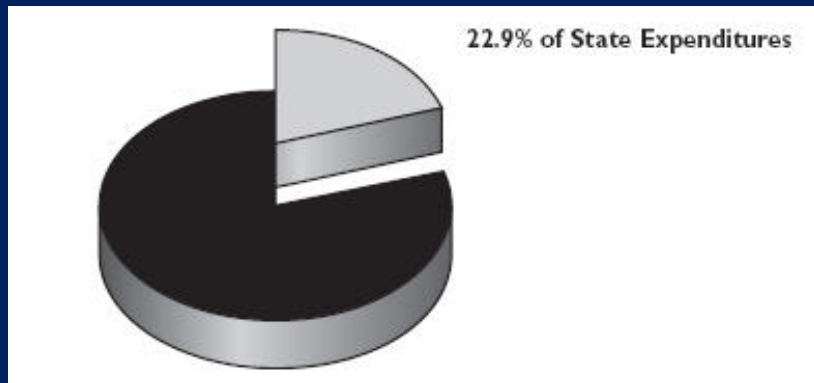
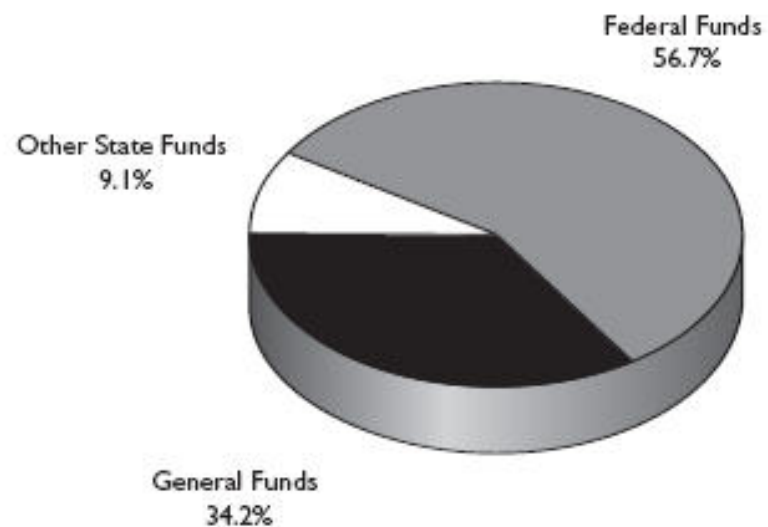
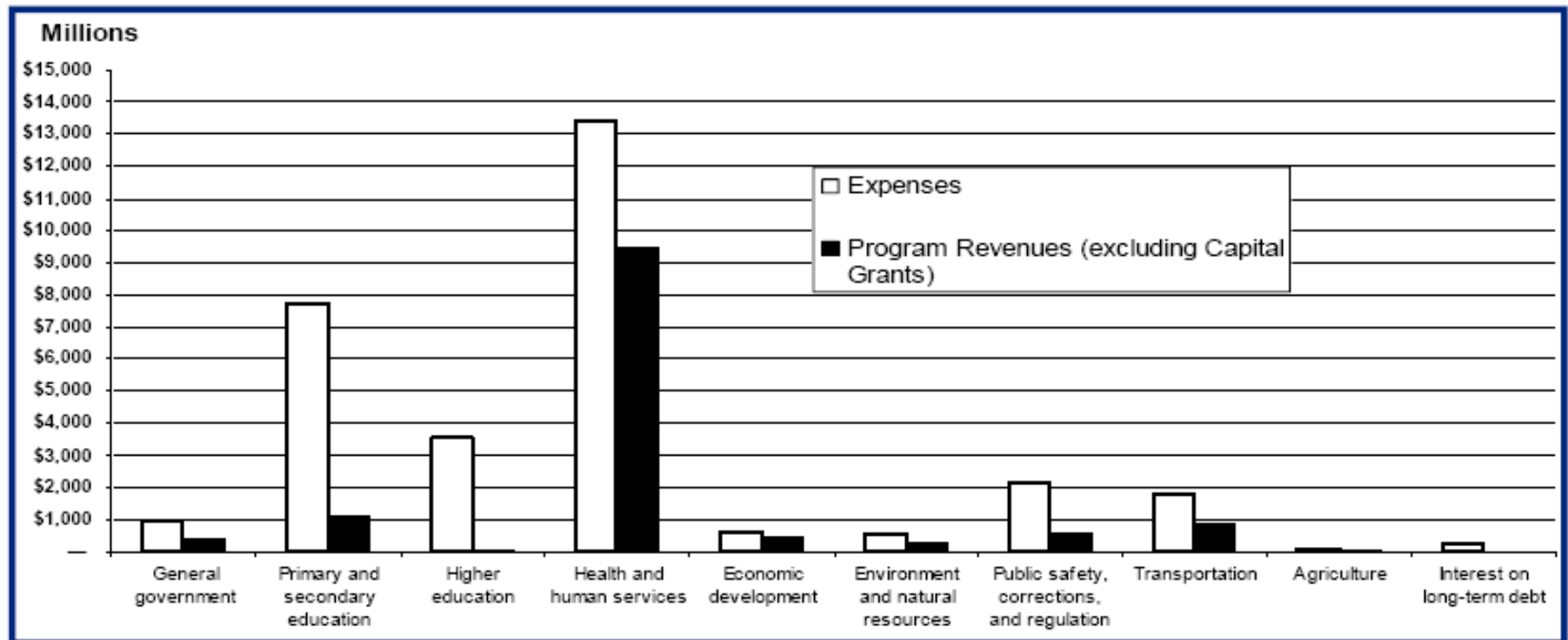


Figure 16
STATE EXPENDITURES FOR MEDICAID BY
FUND SOURCE, FISCAL 2005



North Carolina Budget

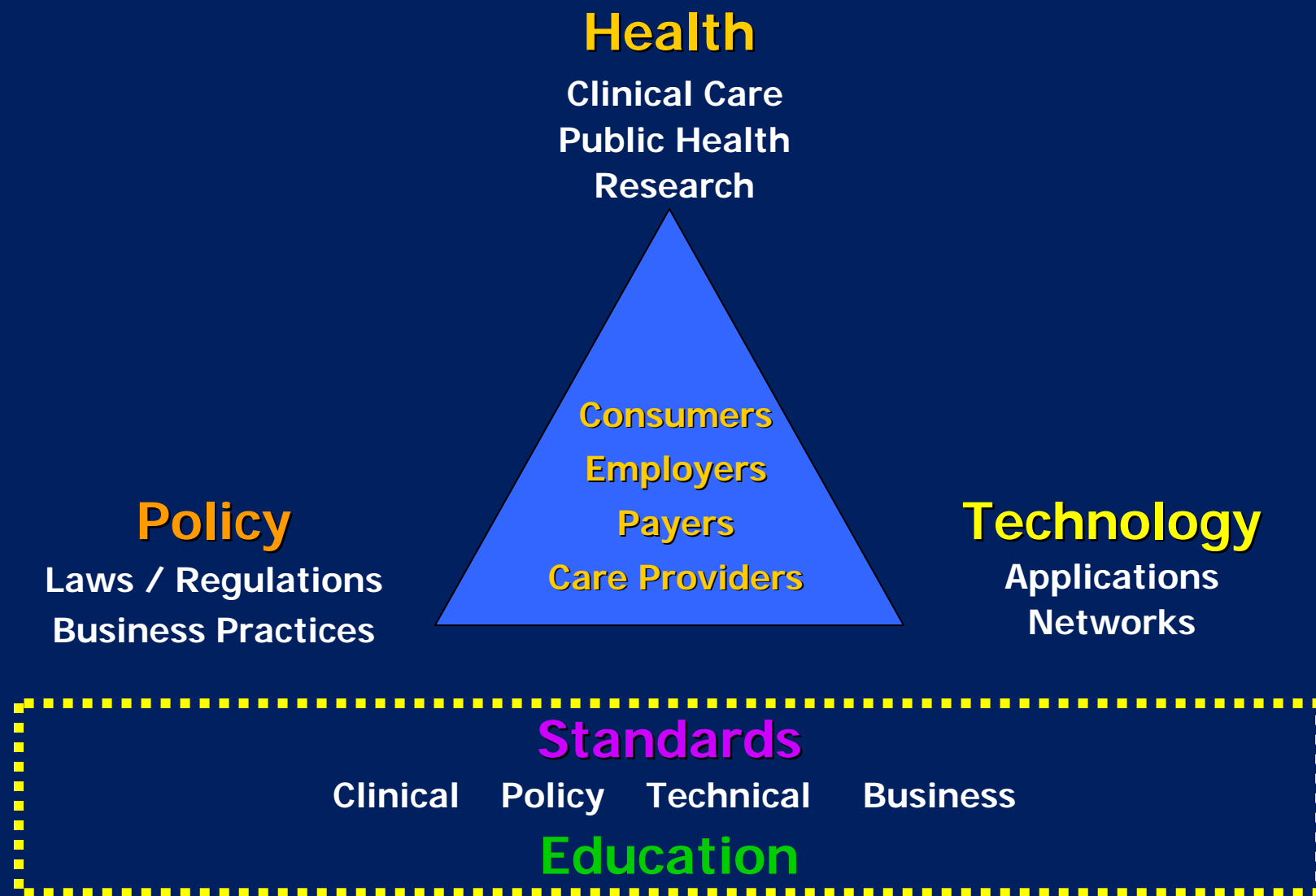
Expenses—Governmental Activities Fiscal Year Ended June 30, 2005



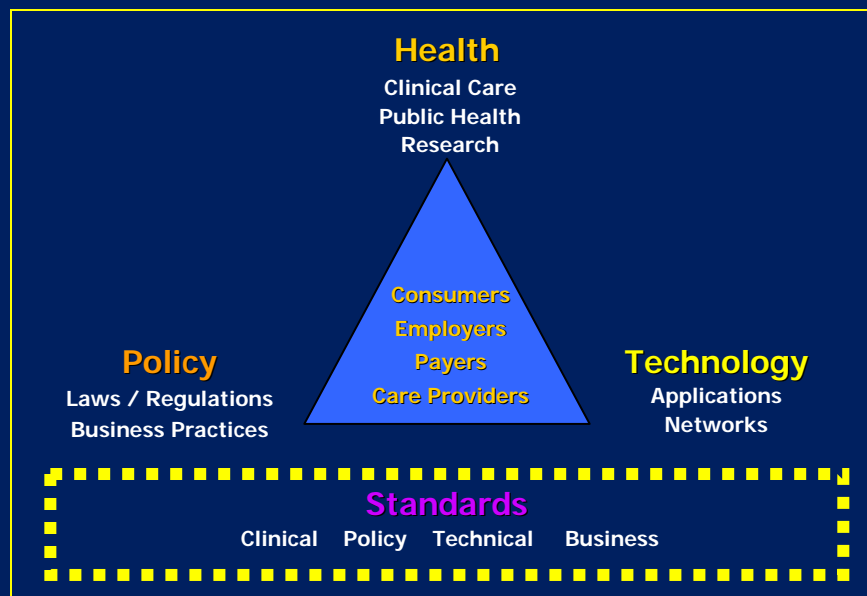
NCHICA Background

- Established in 1994 by Executive Order of Governor
- Mission: ***Improve healthcare in NC by accelerating the adoption of information technology***
- 501(c)(3) nonprofit - research & education
- 220 member organizations including:
 - Providers
 - Health Plans
 - Clearinghouses
 - State & Federal Government Agencies
 - Professional Associations and Societies
 - Research Organizations
 - Vendors and Consultants

NCHICA Foundation for Collaboration



Building on the NCHICA Foundation



Activities in Collaboration with our Members:

- Education / Training
- Policy Development
- Proposal Development
- Demonstration Projects
- Facilitation

Desired Outcomes:

- Improved health of all North Carolinians
- A safer and more efficient and effective healthcare system
- Focused and integrated solutions across all systems
- North Carolina known for being ***“First in Health”***

NCHICA: the catalyst for improving healthcare through IT

The 3 pronged approach to success:

Vision & Mission

Goal **1**

Leadership in Health Information Exchange

The critical first step to appropriate information sharing is defining key issues for clinical information exchange

2

Expanded Funding Engine through Demonstration Projects

Seed funding primes the funding engine, followed by engagement income for NCHICA self-sustainability

3

Enhanced/ Focused Education

Educate members/constituents on strategic imperatives, incentives, and benefits of improved health information sharing

**NCHICA
Strategy**

Current Initiatives Include:

- Use of Technology in Local Health Departments Study – 2005-2007
- Disease Registries in Primary Care Conference - 2006
- Nationwide Health Information Network (NHIN) Architecture Prototype Contract w/ IBM - 2005-2006
- Health Information Security and Privacy Collaboration (HISPC) Contract – 2006-2007
- eRx Workshop and Strategy
- NC Consumer Advisory Council on HIT
- NC Healthcare Informatics Workgroup
- Organizing a NC response to FCC Rural Healthcare Connectivity
- Academic Medical Center Conference on Privacy, Security & Research (June 2007)

“Connected Communities”

- A collaborative, consumer-centric collaboration or organization focused on facilitating the coordination of existing and proposed e-health initiatives within a region, state, or other designated local area.
- May be called:
 - **RHIOs** (Regional Health Information Organizations)
 - **RHINs** (Regional Health Information Networks)
 - **SNOs** (Sub-Network Organizations)
 - **State-level Health Information Exchanges**

Models for Connected Communities

- Federation – multiple independent / strong enterprises in same region
- Co-op – multiple enterprises agree to share resources and create central utility
- Hybrid – region containing both Federation and Co-op organizations
- Other ???

Models for Organizational Structure (cont.)

- **“Utility” Operator**

- Quicker to implement
- Fewer initial participants
- Build involvement over time
- Forces early technology selection

- **Neutral, Convener, Facilitator**

- Slower to implement
- Building consensus difficult and may frustrate participants who want to get started
- Open standards approach leaves opportunities for more organizations and vendors to participate
- Perhaps only way to bridge multiple RHIO efforts

Organizational Structure

- **501(c)(3) Nonprofit**
 - Eligible for Federal and State Grants
 - Contributions may be tax deductible as charitable
- **Considerations for Nonprofit:**
 - Limit of ~20% - 40% on income from “unrelated business” activities (i.e. not charitable and educational)
 - May need to subcontract or otherwise handoff operational aspects of activities

Challenges to Broader Exchange of Information

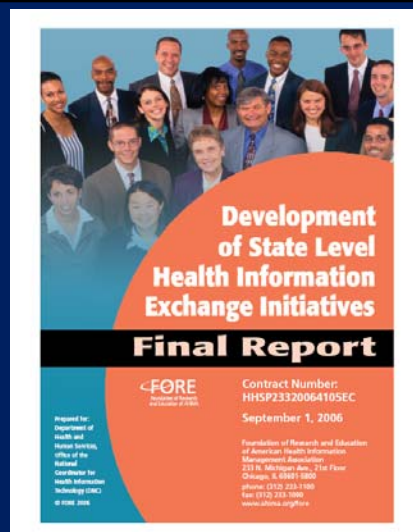
- **Business / Policy Issues**

- Competition
- Internal policies
- Consumer privacy concerns / transparency
- Uncertainties regarding liability
- Difficulty in reaching multi-enterprise agreements for exchanging information
- Economic factors and incentives

- **Technical / Security Issues**

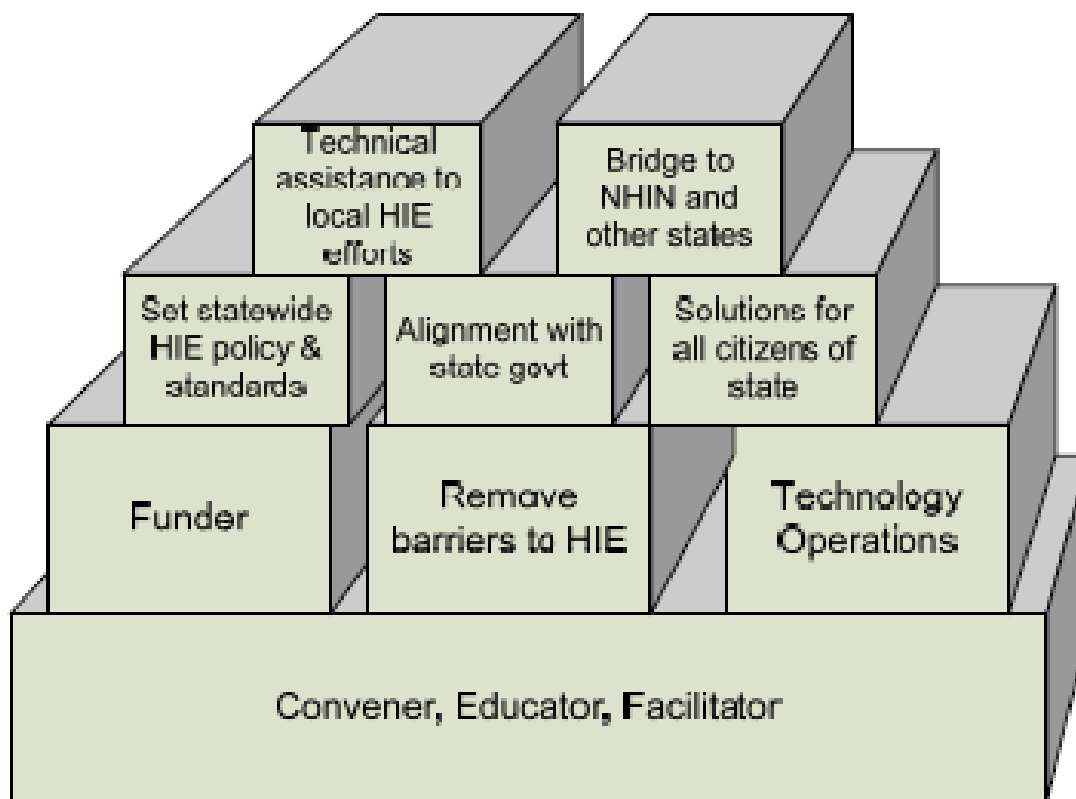
- Interoperability among multiple parties
- Authentication
- Auditability

State-level Health Information Exchange



www.staterhio.org

Building Blocks for State-Level HIE Initiatives



The state-level HIE initiative may choose some or all of these "blocks" or roles for its scope, or may identify others. In addition, more "blocks" may be added over time.

Regional Activities in North Carolina

WNC Data Link – WNC RHIO

Western North Carolina Health Network - Hospital Members



Angel Medical Center
Cherokee Indian Hospital
Community CarePartners/Thoms
Harris Regional Hospital (WestCare)
Haywood Regional Medical Center
Highlands-Cashiers Hospital
Mission St. Joseph's
Murphy Medical Center

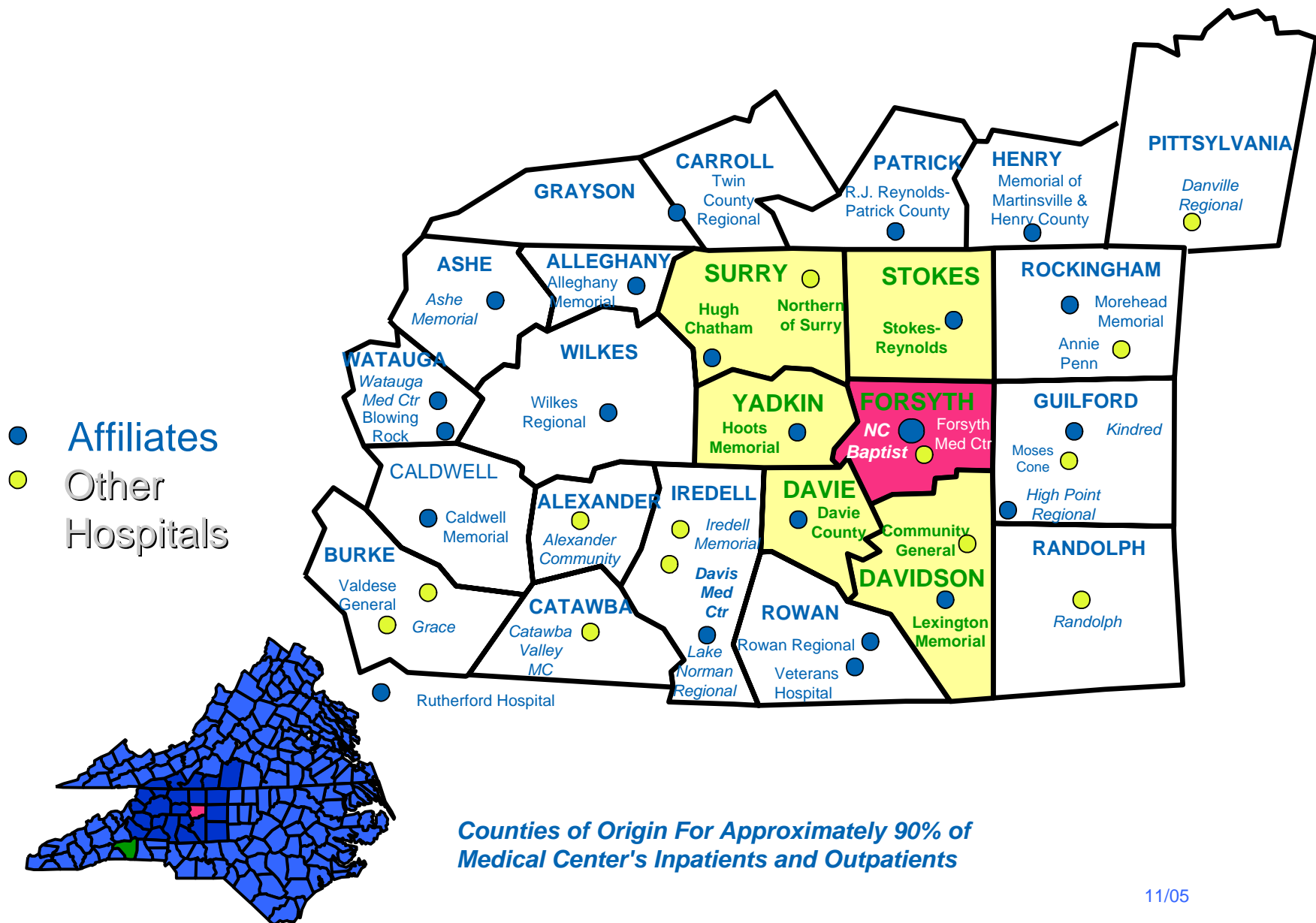
Pardee Hospital
Park Ridge Hospital
Rutherford Hospital
St. Luke's Hospital
Spruce Pine Community Hospital
Swain County Hospital (WestCare)
The McDowell Hospital
Transylvania Community Hospital



SERVING
29 counties
— in —
EASTERN CAROLINA



WFUBMC Referral Area Hospitals



Advice ...

- **Focus on clear drivers:**
 - Quality of care and affect on cost
 - Complex and costly chronic conditions
 - Physician work flow – save time and improve job satisfaction (meds history, allergies, problem lists)
 - Build on quick wins (low-hanging fruit) with obvious benefits to the public (e.g. immunizations, meds)
 - Leverage statewide payers: Medicaid, State Health Plan, BCBSGA, other
 - Include major employers with self-funded plans
 - Use Bridges-to-Excellence and Leapfrog

*Improving Healthcare in North Carolina by Accelerating the
Adoption of Information Technology*

Thank You

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